



Special FY 2005 Customer Bulletin • July, 2004

Updates on products and services provided by the Department of Administrative Services (DAS)

Mollie K. Anderson, Director

Introduction

As Fiscal Year (FY) 2005 begins, all of us are concerned about value and cost issues. This bulletin contains information to help you plan for the costs of using DAS products and services, including those classified as marketplace¹. We have combined updates in one place for your convenience.

You have already heard about DAS utility rates set by Customer Councils for FY 2005, and met with the DAS financial team to review the estimated funds to be distributed to your agency. You will be notified of the final DAS distribution later in July, 2005. You should expect to receive your first DAS utilities billing (for July) in August, 2005.

Once again, we thank the DAS Customer Council members who have worked long hours on ratesetting. We are indebted to them for their continuing commitment. We will notify you as additional product and services information becomes available. If you have questions in the meantime, please contact chief financial officer Denise Sturm, Denise.Sturm@iowa.gov. You may also visit the DAS website, <http://www.das.iowa.gov>.

I/3 Update

The new I/3 enterprise resource planning (ERP) system launch took place over the Memorial Day Weekend, following more than three years of planning under the sponsorship of the Department of Management (DOM). The I/3 Steering Committee met June 25, 2004 to address progress with the launch, governance and management, and plans for allocating system costs.

DAS Director Mollie Anderson explained that DAS is committed to supporting a successful new system. As a challenging transition continues, DAS is working to resolve implementation issues, maximize efficiencies, and assist customer agencies in realizing real time value from the new system.

To date, the transition has been challenging for I/3 users and system support staff. Users have asked for improvements in overall communication and training, use of the data warehouse, and processing efficiency. They have also asked that help desk assistance be evaluated.

User Groups

To strengthen customer involvement in decision making, I/3 User Groups will be set up for each of the system's service components: finance, fixed asset/inventory, accounts receivable, procurement, and budget. Members will reflect the customer base. These groups will assist the Steering Committee and interim Customer Council in establishing service delivery priorities and standards, prioritizing problems, recommending changes, orienting new users, and identifying opportunities for improvement in process redesign, system efficiencies and training. They will also assist in organizing short- and long-term I/3 governance.

I/3 Customer Council

The Steering Committee agreed that an interim Customer Council should be established by fall of 2004, to be comprised of two members from each of the current DAS Customer Councils. The role

¹ "Marketplace" is the designation given to those products and services that DAS customer agencies may purchase from DAS or any other supplier. DAS sets marketplace service prices based on direct and indirect costs to provide the service and an assessment of prevailing competitive prices. DAS customer agencies pay for the marketplace services they use.

of the new Council would be to establish bylaws, determine permanent council membership criteria, set length of service, and evaluate FY06 costs. The Council will also help identify administrative and operational responsibilities and provide staffing input.

Until full I/3 implementation, the Steering Committee, the I/3 Customer Council, and the DAS-State Accounting Enterprise will share policy responsibility. Service delivery responsibility will continue to reside with project staff. The DAS-Information Technology Enterprise (ITE) will remain responsible for the system's technical computing operation and support, under the guidance of SAE and the I/3 governance structure.

Once I/3 is fully operational, a permanent SAE Customer Council will be established with the same rate setting and oversight responsibilities and authority held by other DAS Customer Councils.

I/3 Costs/ 2005 Rates

I/3 costs, currently projected for FY 2006 at \$4 million. DAS is working to cover this cost without increasing the billings to customer agencies. Continuing payments from customer agencies for the old IFAS and HRIS systems will comprise part of the funding, supplemented by an Innovation Fund loan for which DAS will apply. In FY 2007, the I/3 Customer Council will work with DAS to establish an I/3 rate that will fairly allocate all system costs among all users.

New IT Rates for DAS-ITE Marketplace Services Announced

DAS has made significant changes in its ITE (Information Technology Enterprise) rate structure for marketplace services. Effective July 1, 2004, many rates are reduced and DAS-ITE will begin charging some customer agencies for services used that have not previously been billed. These adjustments are being made to resolve over-recovery of federal funds for IT services.

How does federal over-recovery affect DAS rates? The problem started when state government followed an inconsistent approach in appropriating funding for IT services. Some monies were appropriated to agencies to buy the services they used; some appropriations went to the provider agency (now DAS-ITE.) Although appropriations to the provider agency decreased over the years, the IT services used by Executive branch agency customers continued to grow. A funding gap developed.

The service provider increased rates to paying agency customers in order to cover the gap. Over-recovery occurred when those customers used those artificially inflated ITE rates in their federal program reimbursement requests. This practice may be a violation of federal law. Allowing it to continue may expose the state to the risk of sanctions, loss of funding and/or fines.

The 80th General Assembly approved an appropriation to resolve some of the over-recovered funds. Other necessary steps are for DAS-ITE to charge rates that reflect only the cost of services provided, slowing future over-recovery; and to charge all customers for the services they use.

DAS is working with DOM to implement those steps in two phases. (1) For FY 2005, DAS-ITE will begin to bill customer agencies for previously unbilled services. New billings to an individual customer agency for previously unbilled services will not exceed the amount of the savings that agency will realize from DAS-ITE rate reductions. (2) For FY 2006, DAS will bill agency customers for all services they receive. Agency customers that will begin receiving new DAS-ITE billings in FY 2006 will be notified of the additional charges in time to include them in FY 2006 budget requests.

IT Rates

DAS-ITE rates for IT marketplace services are charted here.

Service Description	FY04 Rate	FY05 Rate	Rate Change	Billing Code
Mainframe Processing				
Mainframe CPU – Batch (per CPU hr)	\$1,927.90	\$771.16	-60%	0001
Non-Prime CPU – Batch (per CPU hr)	\$1,638.72	\$655.49	-60%	0082*
Minimum Job Charge (per job)	\$1.00	Included in CPU	-100%	0073
Network Data Mover (per CPU hr)	\$1,927.90	Included in CPU	-100%	0703
Batch Job Setup (per job)	\$0.50	Included in CPU	-100%	0076
IDMS – CPU Utilization (per CPU sec)	\$.57377	\$.402	-30%	0753**1753
IDMS – All Que (each)	\$.00144	\$.00101	-30%	0753**1755
IDMS – I/O (per message)	\$.00017	\$.00012	-30%	0753**1754
CICS – CPU Utilization (per CPU sec)	\$1.125	\$0.80	-30%	1751***
CICS – I/O (per message)	\$0.010	\$0.007	-30%	1752***
Mainframe Storage				
Tape Mounts (each)	\$0.98	\$0.40	-60%	0069
Tape Cartridge, 400-500MB data set	\$2.30	\$0.92	-60%	0201
Dedicated Tape Cartridge, less than 400MB data set	\$6.70	\$2.68	-60%	0200
Online Disk --Direct Access Storage Device (DASD) (per MB per Mo)	\$0.467	\$0.258	-45%	0380
On-Line Report Storage	\$2.61	\$1.05	-60%	0381
Merged Tape Storage, to 4MB	\$0.05	\$0.02	-60%	0384
Merged Tape Storage, 4MB to 400MB	\$2.30	\$0.92	-60%	0385
Network				
Mainframe 3270 and TN 3270 LU Access	\$32.51	\$27.65	-15%	0995
Mainframe Printing				
Impact Printing per 1000 lines	\$1.3003	\$1.56	+20%	0038,0042,0050
Simplex per page	\$0.04	\$0.048	+20%	0043,0050
Duplex per page	\$0.053	\$0.063	+20%	0043,0050
Sealer/Stuffer per page	\$0.08	\$0.10	+20%	0043,0050
Impact Printing per 1000 lines	\$1.3003	\$1.56	+20%	0038,0042,0050

*The non-prime rate is shown on the ITE bill as a credit adjustment, credit code 0082. The credited amount is calculated by multiplying non-prime utilization time by the difference between the prime and non-prime rates.

**The IDMS charge shown as code 0753 is a combined charge for CPU, storage and I/O. To provide more utilization detail for our customers, ITE is now replacing 0753 with codes 1753, 1754, and 1755.

***The CICS charge shown as code 0751 before and during FY 2003 was a combined charge for I/O and CPU. To provide utilization detail for our customers, ITE replaced code 0751 with codes 1751 and 1752 during FY 2004.

**New
Temporary
Staffing
Service**

The new Executive branch temporary services vendor is USA Staffing, Inc., effective July 1, 2004 through June 30, 2006. USA Staffing, an Iowa company established in 1995, was awarded the new contract after a comprehensive proposal evaluation. Its management team is eager to meet your staffing needs. For information, contact Joe Ellis in the DAS Human Resources Enterprise (HRE), Joe.Ellis@iowa.gov.

Your existing staffing placements with Olsten Staffing Services are not affected. However, all future needs should go to USA Staffing, Inc. To request temporary staff, contact:

Wendy Purdy at (515) 223-8200 or (800) 266-6799
 Email: wendy@usastaffing.com or fax to (515) 223-8222
USA Staffing, Inc.
 3705 Grand Avenue
 Des Moines, IA 50312

The general rules for using temporary services have not changed. You should be prepared to explain the job type needed; specific duties to be performed; hours of work, duration and location of the assignment; and the person to report to, time and place.

- The contract with USA Staffing provides specific pay ranges for the same nine job titles previously covered. For job titles not specifically listed on the chart below, the company will charge a fixed mark-up rate of 27.95 percent to the pay range in the current applicable pay plan. As approved by the HRE Customer Council, DAS-HRE will charge agency customers an administrative fee of \$10.00 per temporary employee. For a description of job titles, go to: http://das.hre.iowa.gov/job_descriptions.html. Positions charted here are overtime eligible.

JOB TITLE	PAY RANGE PER HOUR
Accounting Clerk	\$10.14 to \$11.58
Administrative Assistant	\$11.83 to \$16.44
Clerk	\$ 8.91 to \$ 9.46
Info Tech Support Worker	\$ 9.87 to \$10.40
Receptionist	\$ 9.77 to \$10.42
Secretary	\$10.74 to \$11.38
Typist	\$ 9.02 to \$ 9.62
Utility Office Worker	\$ 9.38 to \$10.58
Word Processor	\$10.29 to \$11.14

Some other points to remember:

- Be sure to fully explain the job duties to be performed. Make USA Staffing aware when a temporary staff person will be expected to handle cash, keys, credit cards, merchandise, negotiable instruments and/or other valuables, or drive a vehicle. USA Staffing will ask you about these duties with each job assignment.
- Once placement is made, do not change the temporary staff member's assignment without the prior written consent of USA Staffing.
- Temporary staff are expected to maintain your policies for safeguarding confidentiality and may be asked to sign a Confidentiality Agreement before they begin work.
- As required by the Accountable Government Act, USA Staffing will waive or credit back all charges for an unsatisfactory staffing placement. An appropriate supervisor must notify the company to explain why the work was unsatisfactory within eight hours of the initial placement.
- USA Staffing assures that each temporary staff placement will be qualified to perform ordered duties as specified in the appropriate State of Iowa job description.

Workers Compensation Premiums Announced

The DAS-HRE reports that workers' compensation premium amounts for FY 2005 have been set and are being sent to customer agency financial officers. The state's actuarial consultant, Deloitte, calculated premiums using the the FY 2004 model that shares risk, provides stable premiums, allocates administrative costs fairly, and generates necessary cash flow. Deloitte also conducts periodic reviews to monitor our progress.

Total premium expenses are the sum of two cost categories: (1) Loss experience is estimated at \$16,416,680. (2) Administrative costs, including both internal and third party administrator (TPA), expenses, are estimated at \$2,486,680. TPA costs account for \$1,900,000 of this amount.

Individual agency premiums reflect this same approach. The allocated loss experience calculation uses five years of actual loss data, limited to \$50,000 per claim. Limited incurred loss of each agency is divided by the total incurred loss for all agencies to determine each agency's percentage. (Credibility standards are applied to minimize claims fluctuation.) These factors share the risk by excluding catastrophic claims from all agencies' experience and adjusting the experience of agencies with low claims experience.

The administrative cost portion of an agency's premium is a straight percentage allocation (about 15 percent) of the loss portion of total premium expense, plus the agency's allocated share of the internal costs of administering the program.

Agencies can have a definitive impact on losses that ultimately increase workers' compensation program costs. Over time, better loss control within an agency will directly affect loss experience and the amount of shared claims cost that must be allocated among all agencies.

For more information on premium calculation or to request DAS-HRE assistance in reviewing loss control activities, contact Program coordinator Bill West, Bill.West@iowa.gov.

Employee Training Resources

Would you like to increase the value of your agency's investment in human resources? Think training. No matter what services your agency provides, your people are your most valuable asset. Training builds skills, morale, and employee satisfaction. Training makes a difference.

The DAS-HRE training programs offered through Personnel Development Seminars (PDS) can help you equip your employees for the challenges to be met in FY 2005. DAS-HRE is committed to providing you with affordable, high quality training opportunities that meet your needs.

As DAS introduces entrepreneurial management into its operation, training services have been designated into the marketplace category. This means that you can continue to buy these services from DAS or another vendor of your choice. DAS is distributing to your agency a portion of its FY 2005 general fund training dollars appropriation (based on the number of employees your agency trained in FY 2004) so that you have resources to buy these services. This one-time distribution will be automatically added to your base budget request for FY 2006. *You will shortly be notified about the exact amount of your training distribution.*

The Applied Management Series Certificate Program

The Applied Management Series Certificate Program offers valuable training opportunities to managers and supervisors. Coursework covers topics like how to conduct interviews, performance evaluations, progressive discipline, investigations and terminations, requirements of the Family Medical Leave Act, Americans with Disabilities Act, sexual harassment prevention, affirmative action and equal employment opportunity and workplace ethics, effective communication skills

and customer service. The learning environment gives participants an opportunity to network and learn from other managers in a small group setting.

AMS COURSE TITLE	TYPE	NUMBER	COST
Discipline, Grievances and the Contracts (1 day)		NC 901	\$80.00*
Equal Employment Opportunity/Affirmative Action: Making the Most of Your Workforce (3 hours)		NC 202	\$40.00*
From Interview to Hire (4 hours)		NC 301	\$40.00*
Family Medical Leave Act (FMLA) (3 hours)		NC 122	\$50.00*
Investigating Employee Misconduct (1 day)		NC 118	\$80.00*
Performance Evaluation (1 day)		NC 401	\$80.00*
Preventing Sexual Harassment for Supervisors (4 hours)		NC 119	\$50.00*
What is the ADA? (4 hours)		NC 123	\$50.00*
Achieving Communication Effectiveness (ACE) (1 day)	Core	GI 077	\$80.00
Customer Service (1 day)	Core	QM 002	\$80.00
Ethics in the Workplace (1 day)	Core	SC 230	\$80.00
Human Relations Skills (2 days)	Core	SC 203	\$150.00

*New fees effective July 1, 2004

To complete the program, students must complete four core courses and eight AMS courses within three years. The total cost for the required twelve courses and eighty-two contact hours is \$860.00—just \$10.50 per hour. Supervisors and managers who enroll before August 31, 2004, will be allowed to attend NC 122 (FMLA) at no charge during FY 2005.

**For
More Training
Information**

A new catalog for FY 2005 is now available online for your convenience at http://www.das.hre.iowa.gov/LearnAtPDS/catalog_welcome.htm. We invite you to ask for special sessions of any AMS or catalog course at times and locations that work for you. We will also work with you to customize a course to meet your agency's special needs. Costs for these services will be based on time required. If you have suggestions or questions, please contact Lois Schmitz, Lois.Schmitz@iowa.gov, or Mary Ann Hills, Maryann.Hills@iowa.gov.

**Printing,
Purchasing,
State Motor
Pool, and
Garage**

You should have recently received three separate brochures detailing July 1, 2004 prices for many of the marketplace services provided to you by the General Services Enterprise (GSE). You can access these brochures online by clicking on links at: <http://das.gse.iowa.gov/>.

**Federal
Surplus
Property**

The Federal Surplus Property operation is moving to the Capitol Complex effective August 1. This is an excellent resource for surplus materials no longer needed by the federal government: office machines and supplies, hand and machine tools, furniture, appliances, medical supplies, hardware, clothing, motor vehicles, boats, airplanes, construction equipment, textiles, communications and electronic equipment, and even gifts and decorations given to government officials by Foreign Dignitaries. All items are offered on an "as is, where is" basis. You can see a listing of inventory at <http://www.das.gse.iowa.gov/Federal%20Surplus/index.html>.

**Events
After
Hours
Charges**

Effective July 1, 2004, customer agencies will be charged for maintenance expenses associated with events held after hours (5:00 p.m. weekdays and throughout the day and evening on evenings and weekends) in the Capitol Complex, non-ceremonial space. Non-ceremonial space includes Lucas, Wallace, Grimes, Hoover, Records and Property, Iowa Workforce Development, Vehicle Dispatcher Building, GSE Capitol Complex Maintenance Building, Central Energy Plant, State Library, offices in the Ola Babcock Miller Building, the State Historical Building and executive branch offices of the State Capitol Building. Please contact Event Coordinator Nancy Williams, nancy.williams@iowa.gov.

Custodial Fee

\$25 per hour with a three-hour minimum. For especially large events and those requiring extensive setup work, additional custodial hours may be charged at a rate of \$20 per hour.

Auditorium Fee

\$75 per hour for each of the first two hours, \$50 per hour for each additional hour.

Meeting Rooms Fee

< 90-person capacity: \$10 per hour. For events < 4 hours, first hour costs \$20.

>90-person capacity: \$20 per hour. For events < 4 hours, first hour costs \$40.

Lobby Space Fee

\$100 per hour – first two (2) hours.

\$75 per hour for each additional hour.

Additional time and materials charges will apply for the use of barricades, tables and chairs.

This bulletin is a publication of the Department of Administrative Services. If you have questions or suggestions for future issues, contact Patti Allen, Patti.Allen@iowa.gov.